

Message Text

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53

ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 CIAE-00 INR-07 NSAE-00 FEAE-00

INT-05 OES-05 AGR-10 /038 W

----- 038263

P R 271154Z FEB 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4302

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS SECTION 1 OF 2 NEW DELHI 2992

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJECT: CCP FY 1977

REF: STATE A-7369(75), NEW DELHI 1919

1. FOLLOWING IS SECTION III, CAMPAIGN INITIATIVES.
SECTION III-NON CAMPAIGN INITIATIVES WILL FOLLOW BY SEPTTEL.

2. SECTION III - PROGRAMMED ACTIVITIES

A. CAMPAIGN NO. LI -- PRIORITY RANK: 1

TITLE: IDENTIFY IMPORT REQUIREMENTS AND ENCOURAGE FIRMS
TO PARTICIPATE IN THE KUDREMU KH IRON ORE PROJECT AND
OTHER MINING PROJECTS.

CAMPAIGN MANAGERS: FRANCIS SHAFTER/SAMUEL KELLAR/ALEXANDER
LIEBOWITZ

JUSTIFICATION: KAISER ENGINEERING, ARTHUR G. MCKEE, US STEEL
AND FLUOUR CORP. ARE CONTENDING AS PRIME CONTRACTORS ON THE TWO
PARTS OF THE IRANIAN-FINANCED KUDREMU KH IRON ORE PROJECT.

ALTHOUGH THE DOLS630 MILLION LOAN AGREEMENT WAS SIGNED
IN EARLY NOVEMBER 1975, NO DECISION ON THE PRIME CONTRACTORS

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HAS BEEN ANNOUNCED. THE PROJECT OFFERS SUBSTANTIAL

OPPORTUNITIES FOR SUBCONTRACTORS AND EQUIPMENT SUPPLIERS. IN ADDITION TO THE INFRASTRUCTURE, THE PROJECT WILL BE DIVIDED INTO TWO MAJOR COMPONENTS: (A) EQUIPMENT AND SERVICES RELATED TO THE EXTRACTION OF THE IRON ORE FOR WHICH THE MAJOR COMPETITORS ARE US STEEL AND FLUOUR CORP. (VALUE DOLS40 MILLION), AND (B) ENGINEERING SERVICES, MACHINERY AND EQUIPMENT REQUIRED TO PROCESS AND TRANSPORT THE ORE TO THE PORT OF MANGALORE, VALUED AT DOLS300 MILLION. THE MAJOR US COMPETITORS FOR THE LATTER COMPONENT ARE KAISER ENGINEERING AND ARTHUR G. MCKEE. OPPORTUNITIES FOR US FIRMS SHOULD ALSO ARISE IN CONNECTION WITH THE PLAN TO ENLARGE THE PORT TO HANDLE THE INCREASED QUANTITY OF ORE.

THE GOI HAS GIVEN TOP PRIORITY TO A PROGRAM TO DOUBLE COAL PRODUCTION BY 1980. THIS PROJECT ALONE WILL REQUIRE EXPENDITURES IN THE RANGE OF DOLS900 MILLION.

CAMPAIGN HIGHLIGHTS: ESTABLISH A CLOSE WORKING RELATIONSHIP WITH KEY INDIAN OFFICIALS CONCERNED WITH THE KUDREMUKE PROJECT, AS WELL AS WITH THE US PRIME CONTRACTING FIRMS PARTICIPATING IN THE PROJECT.

PERSONNEL AND FINANCIAL REQUIREMENT DATA WILL BE PROVIDED BY MAY/JUNE 1976 AS ADVISED IN REF AIR.

ACTIONS/MILESTONES/ACCOMPLISHMENTS

	CUMULATIVE MILESTONES			
	DEC	MAR	JUN	SEPT
ACTIONS	31	31	30	30

1. APPOINT OFFICERS AND FSLs (PRO) TO MONITOR DEVELOPMENTS ON THE KUDREMUKE PROJECT AS WELL AS OTHER POTENTIALLY SIGNIFICANT PROJECTS. X

2. SUBMIT PERIODIC REPORTS, INCLUDING TO'S, ON THE PROGRESS OF THE KUDREMUKE PROJECT.

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3. SUBMIT REPORTS, INCLUDING TO'S, ON THE DEVELOPMENT OF OTHER PROJECTS. X X X X

4. IDENTIFY ALL PERTINENT GOI OFFICIALS AND ESTABLISH REGULAR PERSONAL CONTACT. 8 16 24 32

5. UPDATE THE MARKET SURVEY TO ENABLE THE EMBASSY TO DETERMINE CURRENT MARKET OUTLOOK. X

B. CAMPAIGN NO. 2 -- PRIORITY RANK: 4

TITLE: INCREASE US SHARE OF MARKET IN ELECTRONICS AND COMMUNICATIONS AND SEEK MUTUALLY BENEFICIAL JOINT US-INDIA COLLABORATIONS.

CAMPAIGN MANAGER: PAUL RAY

JUSTIFICATION: INDIA HAS ONE OF THE MOST SOPHISTICATED AND DIVERSIFIED ELECTRONICS INDUSTRIES IN THE THIRD WORLD. IF INDIA IS TO MEET ITS REQUIREMENTS FOR SOPHISTICATED ELECTRONICS/COMMUNICATIONS EQUIPMENT AND TO IMPROVE ITS EXPORT COMPETITIVENESS, IT WILL NEED TO DRAW ON THE CAPITAL AND TECHNICAL KNOW-HOW THAT WESTERN FIRMS CAN PROVIDE. THE DEVELOPMENT OF THE COMMUNICATIONS INDUSTRY HAS BEEN RECEIVING THE SUPPORT OF THE WORLD BANK AND IDA TO MEET MANY OF INDIA'S IMPORT REQUIREMENTS.

CAMPAIGN HIGHLIGHTS: MONITOR ALL TRADE AND INVESTMENT OPPORTUNITIES AND SUBMIT REPORTS ON DEVELOPMENTS AS APPROPRIATE; HOLD SYMPOSIUM/CATALOG EXHIBIT TO PROMOTE US PRODUCTS AND TECHNOLOGY THAT RELATE CLOSELY TO HIGH PRIORITY PROJECTS. DETERMINE THE FEASIBILITY OF SPONSORING A SPECIALIZED US TRADE MISSION.

PERSONNEL AND FINANCIAL REQUIREMENT DATA WILL BE PROVIDED BY MAY/JUNE AS ADVISED IN REPAIR.

ACTIONS/MILESTONES/ACCOMPLISHMENTS

CUMULATIVE MILESTONES

DEC MAR JUN SEPT

ACTIONS 31 31 30 30

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1. SUBMIT 5 TRADE AND INVESTMENT OPPORTUNITIES EACH QUARTER. X X X X

2. CONDUCT A PERSONAL CALL CAMPAIGN ON GOI OFFICIALS AND PRIVATE INDUSTRY ENDUSERS. 20 40 60 80

3. ORGANIZE SYMPOSIUM/CATALOG EXHIBIT IN FOUR CITIES. X

4. IF RESULTS OF CATALOG EXHIBIT PROVE FAVORABLE, INITIATE PREPARATIONS FOR SPECIALIZED TRADE MISSION TO TAKE PLACE IN LATE FY-77 OR EARLY FY-78. X X X

5. PREPARE ONE FEATURE ARTICLE TO PLACE IN
EMBASSY'S COMMERCIAL NEWSLETTER. 1 2 3 4

C. CAMPAIGN NO. 3 -- PRIORITY RANK 5

TITLE: ENLARGE US SHARE OF INDIAN IMPORTS OF SCIENTIFIC,
INDUSTRIAL AND MEDICAL INSTRUMENTS, AND INSTRUMENTATION
EQUIPMENT.

CAMPAIGN MANAGER: JOSEPH T. O'BRIEN

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ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 CIAE-00 INR-07 NSAE-00 INT-05

FEAE-00 OES-05 AGR-10 /038 W
----- 038784

P R 271154Z FEB 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4303

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS SECTION 2 OF 2 NEW DELHI 2992

JUSTIFICATION: MARKET POTENTIAL IN INDIA FOR SCIENTIFIC,
INDUSTRIAL AND MEDICAL INSTRUMENTS IN GENERAL, AND SPECIFICALLY
FOR PROCESS CONTROL INSTRUMENTATION EQUIPMENT, IS SUBSTANTIAL.
THE PRINCIPAL TARGETED AREAS FOR US PRODUCTS ARE THE FERTILIZER AND
REFINERY/PETROCHEMICAL COMPLEXES. OUR LATEST FINDINGS
INDICATE THAT THE GOI WILL NEED TO IMPORT DOLS20-DOLS25 MILLION
WORTH OF INDUSTRIAL PROCESSING EQUIPMENT DURING US FY-77
THE EXTENT TO WHICH THE US WILL BE ABLE TO ENLARGE ITS
SHARE OF THIS MARKET (NOW ESTIMATED AT 20-25 PERCENT), HOWEVER,
WILL DEPEND ON THE AVAILABILITY OF EXTERNAL CREDIT FACILITIES
AND EFFECTIVE SALES TECHNIQUES ON THE PART OF US FIRMS. LOCAL
RESPONSE TO A CATALOG EXHIBITION IN US FY -76 INDICATED THAT
INTEREST IN THIS US PRODUCT CATEGORY IS SUBSTANTIAL. BECAUSE
OF THE FOREIGN EXCHANGE CONSTRAINTS. HOWEVER, THE DECISION

TO SPONSOR A TRADE MISSION IN NOVEMBER 1976 SHOULD AWAIT A MORE DETAILED ANALYSIS OF THE EXHIBITION RESULTS AND AVAILABILITY OF EITHER INDIA'S FOREIGN EXCHANGE RESERVES OR INTERNATIONAL CREDIT FACILITIES. IF THE EMBASSY'S CONCLUSIONS ARE FAVORABLE, THE NOVEMBER 1976 TIME FRAME WILL BE EXCELLENT AS IT WILL COINCIDE WITH AN INDIA-SPONSORED INTERNATIONAL INSTRUMENTATION SEMINAR AND TRADE EXHIBIT IN BOMBAY.

CAMPAIGN HIGHLIGHTS: CONDUCT CALL CAMPAIGN AMONG ENDUSER.

PERSONNEL AND FINANCIAL REQUIREMENT DATA WILL BE PROVIDED
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BY MAY/JUNE AS ADVISED IN REPAIR.

ACTIONS/MILESTONES/ACCOMPLISHMENTS

CUMULATIVE MILESTONES

DEC MAY JUN SEPT

ACTIONS 31 31 30 30

1. APPOINT OFFICERS AND FSL'S (PRO) TO
MONITOR DEVELOPMENTS IN INSTRUMENTATION FIELD
WITH SPECIAL EMPHASIS ON INDUSTRIAL
PROCESSING EQUIPMENT. X

2. SUBMIT 3 TRADE AND INVESTMENT OPPORTUNITIES EACH QUARTER. X X X X

3. UP DATE THE COMPLETED MARKET SURVEYS
TO REFLECT CURRENT MARKET OUTLOOK. X X

4. PERSONAL CALL CAMPAIGN AND OTHER
ORGANIZATIONAL PREPARATIONS IN CONNECTION
WITH ANTICIPATED NOVEMBER 1976 TRADE
MISSION. X 40

5. PUBLICIZE OBJECTIVES AND ADVANTAGES TO
INDIAN ENDUSERS OF THE TRADE MISSION. X

D. CAMPAIGN NO. 4 - PRIORITY RANK: 7

TITLE: INCREASE US SHARE OF INDIA'S IMPORT OF MACHINERY
AND EQUIPMENT FOR CHEMICAL AND FERTILIZER PLANTS AND
ENCOURAGE MUTUALLY BENEFICIAL TECHNICAL COLLABORATION
AGREEMENTS.

CAMPAIGN MANAGER: KEITH JOHNSON/FRANCIS E. SHAFTER

JUSTIFICATION: INDIA HAS OVER 700 FACTORIES WITH INVESTMENTS EXCEEDING DOLS800 MILLION IN THE CHEMICAL INDUSTRY.

ADDITIONALLY, THERE ARE OVER 60 PLANTS ENGAGED IN THE PRODUCTION OF FERTILIZER. THE GOI PLANS TO INVEST DOLS100-DOLS200 MILLION IN THE CHEMICAL/FERTILIZER INDUSTRY DURING FY-1977. ALTHOUGH INDIA HAS A WELL DEVELOPED AND FAIRLY UNCLASSIFIED

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SOPHISTICATED MANUFACTURING AND DESIGNING BASE TO SUPPLY MOST OF THE INPUT REQUIREMENTS FOR THE DEVELOPMENT OF THE CHEMICAL/FERTILIZER INDUSTRY, THERE REMAIN GOOD SALES PROSPECTS IN SELECTED PRODUCT ITEMS SUCH AS SPECIAL PURPOSE PUMPS AND VALVES, SPECIAL HEAT EXCHANGERS, GAS HOLDERS AND VERY HIGH PRESSURE VESSELS. ONE IMPORTANT CONSTRAINT IS THAT WORLD BANK/IDA FUNDING WILL BE LIMITED ONLY TO SELECTED FERTILIZER PROJECTS. AS THE MAJOR GAP IN THIS INDUSTRY IS ONE OF TECHNOLOGY, IT WOULD APPEAR THAT THE BEST COMMERCIAL PROSPECTS FOR US FIRMS ARE IN THE AREA OF TECHNOLOGY TRANSFER. (NOTE: THE US EMBASSY WILL NOT BE ABLE TO MAKE A MORE FIRM ASSESSMENT OF THE MARKET POTENTIAL FOR US PRODUCTS IN INDIA'S CHEMICAL/FERTILIZER INDUSTRY UNTIL THE MARKET RESEARCH SURVEY BECOMES AVAILABLE SOMETIME IN APRIL, 1976.)

CAMPAIGN HIGHLIGHTS: CONDUCT CALL CAMPAIGN AMONG ENDUSERS IN AN EFFORT TO DETERMINE THE SPECIFIC PRODUCT CATEGORIES OFFERING THE BEST SALES OPPORTUNITIES; EXPLORE OPPORTUNITIES FOR MUTUALLY BENEFICIAL TECHNICAL JOINT COLLABORATION VENTURES; ASSESS THE FEASIBILITY OF ORGANIZING A TECHNICAL SEMINAR IN AN EFFORT TO PROMOTE PERTINENT US PRODUCTS WITH HIGH TECHNOLOGY COMPONENT. PERSONNEL AND FINANCIAL REQUIREMENT DATA WILL BE PROVIDED BY MAY/JUNE AS ADVISED IN REF AIR.

ACTIONS/MILESTONES/ACCOMPLISHMENTS

CUMULATIVE MILESTONES

DEC MAR JUN SEPT

ACTIONS 30 30 31 31

1. CALL CAMPAIGN AMONG GOI AND PRIVATE INDUSTRY END-USERS IN AN EFFORT TO DETERMINE SPECIFIC PRODUCT CATEGORIES THAT OFFER THE BEST SALES OPPORTUNITIES. 5 10 15 20

2. SUBMIT 2 TRADE AND INVESTMENT OPPORTUNITIES EACH QUARTER. X X X X

3. PREPARE FEATURE ARTICLE ON THOSE US PRODUCTS CATEGORIES THAT ARE MOST UNCLASSIFIED

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RELEVANT TO INDIA'S IMPORT
REQUIREMENTS. XSAXBE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NEWDE02992
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760074-0776
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976025/aaaaadsl.tel
Line Count: 336
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 NEW DELHI 1919
Review Action: RELEASED, APPROVED
Review Authority: castelsl
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUL 2004 by schwenja>; APPROVED <07 SEP 2004 by castelsl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CCP FY 1977
TAGS: BEXP, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006